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TAGS: [KNNP](#) [MNUC](#) [EFIN](#) [IR](#) [FR](#)
SUBJECT: IRAN,S BANK MARKAZI OPENS NEW ACCOUNTS IN EUROPE

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[1](#)B. PARIS 03799

Classified By: ECON MINCOUNS SETH WINNICK FOR REASONS 1.4 B & D

[1](#)1. (S) On September 21, Econoff delivered reftel nonpaper on Iranian Central Bank activity to the MFA Non-Proliferation Office and the Finance Ministry,s International Financial Affairs Office. Both stressed France,s forward-leaning approach to applying economic pressure on Iran and said they would take into account concerns mentioned in the nonpaper. They indicated that the GOF has similar concerns about the application of UNSCR 1737.

[1](#)2. (S) IRAN AND FATF: The MFA official said that the GOF favors adding Iran to the Financial Action Task Force,s (FATF) list of "non-cooperating countries" at the FATF October 2007 session, given Iran,s complete failure to respond to a series of three FATF letters requesting clarification on Iranian financial practices. He pointed out, however, that some G-7 partners, including Italy and Germany, are reticent about "blacklisting" Iran. On September 17, the Italian FATF delegation informally proposed that Italy approach the Government of Iran regarding the consequences of not responding to the FATF letters. The GOF considers the Italian approach "counterproductive," likely to produce a pro-forma Iranian "request for more time to respond" rather than any concrete Iranian action. He added that the German Finance Ministry also had doubts about whether blacklisting Iran in the FATF is appropriate. The MFA suggested that the U.S. talk to the Italians on this issue.

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Stapleton